



REQUEST FOR CITY COUNCIL COMMITTEE ACTION

Date: March 18, 2002

To: Council Member Goodman, Chair, Community Development Committee
Council Member Johnson, Chair, Ways & Means/Budget Committee

Refer to: MCDA Board of Commissioners

Prepared by George Kissinger, Phone 612.673.5014

Approved by Chuck Lutz, MCDA Interim Executive Director_____.

SUBJECT: Acceptance of Grant and Authorization to enter into grant agreements with Metropolitan Council and Ivy Tower Minneapolis, LLC. Approval of associated increase to 2002 MCDA Appropriation Resolution.

Previous Directives: Project Analysis Authorization, May 21, 2001. Authorization for MCDA sponsorship of grant application on behalf of project, October 26, 2001. Approval of redevelopment agreement and establishment of TIF and redevelopment districts, December 14, 2001.

Ward: 7

Neighborhood Group Notification: The Downtown Minneapolis Neighborhood Association received advance copies of the draft redevelopment and TIF plans and was presented with the specifics of this project at their Land Use Committee meeting of November 5, 2001.

Consistency with *Building a City That Works*: This project is consistent with Goal 4, Objective C: preserving and supporting significant historic structures and features and Objective E: encouraging development that incorporates historic structures with new development.

Comprehensive Plan Compliance: The Ivy Tower Project was found to be consistent with The Minneapolis Plan and the Downtown 2010 Plan by the Minneapolis Planning Commission.

Zoning Code Compliance: Zoning is B4S-2 and the project will comply.

Impact on MCDA Budget:

- ☐ No financial impact
- ☒ Action requires an appropriation increase
- ☒ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserve
- ☐ Other financial impact

This action involves the acceptance and receipt of Metropolitan Council funds and then reimbursement of pollution clean-up costs to the Ivy Tower owner/developer. No MCDA funds are involved with this pollution clean up activity.

Living Wage / Business Subsidy: N/A. The project is exempt from these provisions under State historic preservation exemption.

Job Linkage: The redevelopment agreement calls for voluntary job linkage agreement on pass-through basis with future tenants.

Affirmative Action Compliance: The redevelopment agreement calls for compliance with current requirements.

Recommendation:**City Council Recommendation:**

The Interim Executive Director recommends an increase to the 2002 MCDA Appropriation Resolution and Revenue Budget in Fund SMN (3215-13 Other MN Grantor Agencies) by \$721,758.00 in order for the MCDA to accept a Metropolitan Council Livable Communities Tax Base Revitalization Account (TBRA) grant from the Metropolitan Council and forward to the MCDA Board of Commissioners for approval.

MCDA Board of Commissioners Recommendation:

The Interim Executive Director recommends that the MCDA Board of Commissioners approve a grant agreement with Metropolitan Council and authorize the Executive Director to execute such agreement for the purpose of accepting funding in the amount of up to \$721,758.00 to be used for pollution clean-up of the Ivy Tower property located at 1115 Second Avenue South. Also, that a pollution clean up grant agreement be approved with Ivy Tower Minneapolis LLC (owner and developer of the Ivy Tower) and authorize the Executive Director to execute such agreement for the purpose of reimbursement of pollution (asbestos and lead based paint) clean-up costs incurred up to an amount of \$721,758.00.

Background and Supporting Information.

Upon MCDA Board approval, an application was made to Metropolitan Council for grant funding that, under State Statutes, establishes within the Metropolitan Livable Communities Fund a Tax Base Revitalization Account that makes such grants available to municipalities for the clean up of polluted land in the seven county metropolitan area.

During the latest funding round the MCDA was successful in having a grant awarded under this program in the amount of \$721,758.00 for pollution clean up as part of the Ivy Tower Project.

The Ivy Tower Project consists of retention and historic preservation of the Ivy Tower Building located at 1115 2nd Avenue South, a building eligible for listing on the National Register of Historic Places. (See attached map.) Included as part of this project is the development of an approximately 235,000 square foot office building to be constructed adjacent to, and fully integrated with, the Ivy Tower.

The MCDA Board of Commissioners approved a redevelopment agreement with the owner/developer (Ivy Tower Minneapolis LLC) in December, 2001.

Under the grant agreements, the MCDA will make application to Metropolitan Council for the draw down of funds for reimbursement of actual costs incurred by the owner/developer for asbestos and lead based paint pollution clean-up. This funding is key in the furtherance of the eventual historic preservation of the Ivy Tower.

Attachment (1)